

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6459

BILL NUMBER: HB 1095

DATE PREPARED: Feb 1, 2001

BILL AMENDED: Jan 31, 2001

SUBJECT: Special License Plates.

FISCAL ANALYST: James Sperlik

PHONE NUMBER: 232-9866

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Bureau of Motor Vehicles (BMV) to cease sales of the Food Bank Trust and Mental Health Trust special group recognition license plates under certain circumstances. It requires the Bureau of Motor Vehicles Commission (BMVC) to exhibit a sample display of all special group license plates in license branches. It creates a Huntington College trust special group recognition license plate. The bill creates an Ancilla College trust special group recognition license plate. It creates a Breast Cancer Trust special group recognition license plate. It creates a Riley Hospital trust special group recognition license plate. The bill specifies the method of distribution for the funds deposited in the Huntington College, Ancilla College, Breast Cancer, and Riley Hospital Trust funds. It makes conforming changes

Effective Date: January 1, 2003.

Explanation of State Expenditures: (Revised) Prison Enterprise Network (PEN Products), the manufacturing arm of prison-made products, submits charges to the BMV based on the number of colors in the design as shown in the schedule below:

| <u>Colors</u> | <u>Set-Up Charge</u> | <u>Price Per Plate</u> |
|---------------|----------------------|------------------------|
| 1 | \$105 | \$3.90 |
| 2 | \$170 | \$4.00 |
| 3 | \$235 | \$4.10 |
| 4 | \$300 | \$4.30 |
| 5 | \$365 | \$4.60 |
| 6 | \$430 | \$5.00 |

These prices are effective for the 2001-2003 biennium.

Additional charges include \$75 per color for any special colors that are not included in PEN's ten standard colors.

If PEN Products does the artwork, there is a \$45-per-hour charge. Origination fees include the film positives and the silk screen charges. When the art work is provided by the customer, the set-up fee is \$17.50. The fund affected for PEN Products is PEN Products Revolving Fund. There will also be computer and accounting changes for the BMV. The fund affected for the BMV is the Motor Vehicle Highway Account which supports the BMV.

The bill provides for the reinstatement of the Indiana Food Bank Trust license plates and the Indiana Mental Health Trust license plate. The sale of these plates did not reach the established threshold set for them and they were discontinued. This bill now reinstates them with the proviso that each must sell at least 2,000 plates over four years of a five year period, beginning January, 2000. If these two plates fail to meet the required sales quota, they will be discontinued.

The Commissioner of the BMV is to administer the Breast Cancer Trust Fund, the Huntington College Trust Fund, the Ancilla College Trust Fund, the Riley Hospital Trust Fund, the Indiana Food Bank Trust Fund, and the Indiana Mental Health Trust Fund. Expenses of administering these funds shall be paid from money in the respective funds. Money in the Breast Cancer Trust Fund, the Huntington College Trust Fund, the Ancilla College Trust Fund, and the Riley Hospital Trust Fund at the end of a state fiscal year does not revert to the State General Fund. Money in each of the Funds is continuously appropriated for the purposes of this bill.

On June 30 of each year, the Commissioner of the BMV shall distribute the money in the Breast Cancer Trust Fund to the Office of Women's Health established under IC 16-19-13 for distribution throughout the state for programs related to cancer and breast cancer awareness. Money in the Huntington College Trust Fund is to be distributed to Huntington College. Funds in the Ancilla College Trust Fund go to Ancilla College.

On June 30 of each year, the Commissioner of the BMV shall distribute the money in the Indiana Food Bank Trust Fund to the Gleaners Food Bank Trust License Plate Committee that is composed of representatives of each food bank located in Indiana.

On June 30 of each year, the Commissioner of the BMV shall distribute the money in Indiana Mental Health Trust Fund to the Mental Health Association of Indiana.

On June 30 of each year, the Commissioner of the BMV shall distribute the money from the Riley Hospital Trust Fund to the James Whitcomb Riley Hospital for Children as provided under IC 20-12-31-6.

The bill also requires the BMV to display a sample display of all special group recognition license plates. The BMV reports that 37 of the special recognition groups have already paid \$180 each to have their specific special recognition license plate be part of the display required in this proposal. This amount was paid to the BMV who contracted for the display. Any additional groups will be required to pay to have their license plate part of the display. The specific cost may be different from the \$180.

Explanation of State Revenues: Potential revenue from the sales of the newly created license plates is not known. However, based on the 1999 sales of special recognition license plates, revenue resulting from the \$25 annual fee could range from \$925 to \$1,906,600. This money would be deposited into the respective and newly created Trust Funds established by the bill. There also is an administrative fee of \$12 for special recognition license plates. Of the \$12 fee, \$6 is distributed to the Bureau of Motor Vehicles Commission, \$5 to the Motor Vehicle Highway Account, and \$1 to the Crossroads 2000 program for highway bonding and construction. Revenue from this fee is not known. However, based on the 1999 sales of special recognition license plates, revenue from the \$12 fee could range from \$444 to \$915,168. It should be noted that it is possible that sales of these new special plates could, to some extent, supplant the sales of other special plates.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles; Department of Correction (PEN Products).

Local Agencies Affected:

Information Sources: Becky Gillam, Sales and Marketing Director of PEN Products, 387-2020; Bureau of Motor Vehicles license plate data for 1999; Melanie Schwartz, Deputy Commissioner of the BMV, 233-1812.